

Director's Message

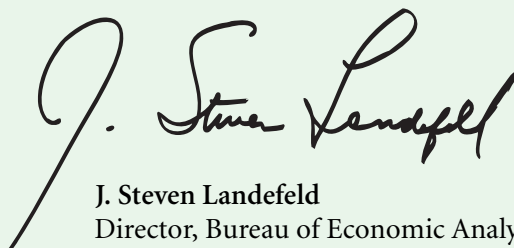
In this issue of the SURVEY OF CURRENT BUSINESS, we are pleased to provide an article that updates and extends our research and development (R&D) satellite account. Developed in conjunction with the National Science Foundation and released for the first time in 2006, the R&D account explores the effect of “capitalizing” R&D on gross domestic product (GDP) and other accounts. It is among our most far-reaching initiatives. For the first time, the R&D account provides experimental estimates of the effect of R&D investment on 13 R&D-intensive industries as well as on state economies and on international economic transactions.

We'll make more material available soon on our Web site <www.bea.gov> that will explain key issues regarding the R&D account in more detail.

Understanding the effect of R&D investment on the economy is important to understanding the effects of all investment in “intangible” assets, a high-profile issue as of late.

Elsewhere in the SURVEY, the benchmark input-output (I-O) accounts for 2002 are presented. The benchmark I-O accounts are published every five years and are based on source data that is considered highly accurate. The benchmark I-O accounts are used for a wide array of analytical purposes and as an important source of data for other BEA accounts, including GDP.

Another article provides updated estimates of international services activity, both trade (2006) and sales through affiliates (2005). We also present estimates of state personal income for the second quarter of 2007 and revised estimates for 2004–2006.



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